

6517-27

Approved _____

1972-9 4-11

THIS EQUIPMENT LOAN SUPPLEMENTAL TRUST DECLARATION
made as of the 30th day of June, 1972.

BY:

CANADA PERMANENT TRUST COMPANY
(hereinafter called the "Trustee")

WITNESSETH THAT

WHEREAS in and by an equipment loan trust declaration (the "Trust Declaration") made as of the 25th day of February, 1972 and executed by Canada Permanent Trust Company (the "Trustee"), provision was made for the issue by the Trustee of 7% Short Term Equipment Loan Certificates (the "Short Term Loan Certificates") in an aggregate principal amount not to exceed \$11,256,000 to evidence a loan from the Bank of Montreal (the "Short Term Lender");

AND WHEREAS the Trust Declaration also provided for the issue by the Trustee of 8.10% CN Equipment Loan Certificates (the "Long Term Loan Certificates") in an aggregate principal amount not to exceed \$11,255,000 to evidence loans to the Trustee by certain investors (the "Long Term Lenders") which loans are to be deposited with the Trustee and applied in payment of principal due on the Short Term Loan Certificates sold by the Trustee to the Short Term Lender:

AND WHEREAS the loan from the Short Term Lender to the Trustee was to be applied in part payment of the unit cost of railroad equipment (the "Units") being manufactured for Canadian National Railway Company by National Steel Car Corporation, Limited and Hawker Siddeley Canada Ltd; which Units are to be sold to the Trustee and in turn sold by the Trustee pursuant to a Conditional Sale Agreement to Canadian Acceptance Corporation Limited;

AND WHEREAS the Units are to be leased pursuant to a lease (the "Lease") dated as of February 28, 1972 between Canadian Acceptance Corporation Limited (the "Lessor") and Canadian National Railway Company (the "Lessee");

AND WHEREAS pursuant to Section 6 of the Lease if, a Casualty Occurrence as defined in the Lease, shall have occurred with respect to Unit or any of them, the Lessee shall have the right to continue to pay rent in respect of such Unit or Units and upon 15 days' prior notice to the Lessor and Trustee, the Lessee shall pay on a rental payment date which is more than 15 days after such Casualty Occurrence and not later than the rental payment date next following the end of the Lessor's current taxation year to the Lessor an amount equal to the accrued unpaid rental for such Unit or Units to the date of such payment plus a sum equal to the Casualty Value (as defined in the Lease) of such Unit or Units on the applicable rental payment date;

AND WHEREAS Section 5.05 of the Trust Declaration provides that the date of redemption of Loan Certificates pursuant to Section 5.03 thereof shall be the interest payment date next following the date of receipt of by the Trustee of the payment of Casualty Value (as defined in the Trust Declaration) or similar payment therein referred to;

AND WHEREAS pursuant to the said Section 5.05, the Trustee is required to give a notice of redemption not less than 21 days no more than 60 days prior to the redemption date;

AND WHEREAS it appears that as a result of the foregoing provisions, the Trustee would not have sufficient time after receiving notice from the Lessee of its desire to make a payment in respect of a Casualty Occurrence under Section 6 of the Lease to provide the proper notice to the Loan Certificate holders pursuant to Section 5.05 of the Trust Declaration and it is therefore desirable to reduce the period of notice to be given by the Trustee to the Loan Certificate holders pursuant to the Trust Declaration;

AND WHEREAS pursuant to Section 10.01 of the Trust Declaration the Trustee upon Written Request (as defined in the Trust Declaration) and with the consent of the holders of a majority in aggregate principal amount of the Loan Certificates may execute and deliver a Trust Supplement for the purpose, inter alia, of changing the provisions of the Trust Declaration;

AND WHEREAS the Trustee has received such Written Request and consent;

NOW THEREFORE this Equipment Loan Supplemental Trust Declaration hereby supplements and amends the Trust Declaration as follows:

ARTICLE I

INCORPORATION OF PREVIOUS DOCUMENTS AND DEFINITIONS

SECTION 1.01. This Equipment Loan Supplemental Trust Declaration is a Trust Supplement within the meaning of that term as defined in the Trust Declaration. The Trust Declaration and this Equipment Loan Supplemental Trust Declaration shall henceforth be read together and shall have effect so far as practicable as all of the provisions thereof and hereof were contained in one instrument. All references in this Equipment Loan Supplemental Trust Declaration to Articles or Sections of the Trust Declaration shall be deemed, unless the context shall otherwise require, to be references to the corresponding Articles or Sections of the Trust Declaration, as from time to time supplemented, modified or changed.

SECTION 1.02. All terms contained in this Equipment Loan Supplemental Trust Declaration which are defined in the Trust Declaration shall, for all purposes hereof, have the meaning given to such terms in the Trust Declaration, unless the context otherwise specifies or requires.

ARTICLE II

AMENDMENT OF TRUST DECLARATION

SECTION 2.01. Section 5.05 of Article V of the Trust Declaration is hereby amended by changing Number "21" in the second line in the second paragraph thereof to "7" so that the said second paragraph of Section 5.05 of Article V reads as follows:

The Trustee shall mail by first class mail, postage prepaid, a notice of redemption not less than 7 nor more than 60 days prior to each redemption date to the holders of Loan Certificates so to be redeemed in whole or in part, at their last address as they appear upon the registry books. Failure to mail such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Loan Certificates. Any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the holder received such notice.

ARTICLE III

COUNTERPARTS

SECTION 3.01. This Equipment Loan Supplemental Trust Declaration has been simultaneously executed in several counterparts each of

which shall be deemed to be an original, and all such counter-
parts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Trustee has executed these
presents under the hands of its proper officers thereunto duly
authorized and its corporate seal on the day and year first
above written.

CANADA PERMANENT TRUST COMPANY

BY 
MORTGAGE MANAGER


C.S.

APPROVED
FOR EXECUTION
BY C.P.C.T.


BY 
MANAGER/CORPORATE SERVICES

PROVINCE OF ONTARIO)
)
CITY OF TORONTO)

On this 30th day of June, 1972, before me personally appeared H. T. Cooley to me personally known, who, being by me duly sworn, says that he is MANAGER, COMMERCIAL SERVICES that the seal affixed to the foregoing instrument is the corporate seal of the said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public

(Notarial Seal)